

City of Emmonak

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March 19, 2003

Independent Lumber, Inc.
2030 South Cushman St.
Fairbanks, AK 99701

COPY

ATTN: Louis Witander

RE: Emmonak Washeteria: Plans, Specifications, Material List and Payment for Building Materials

Dear Louis:

In ASCG, Inc's (ASCG) March 17 letter and statement, prepared on behalf of Independent Lumber, Inc. (ILI), ASCG requested payment of \$126,000 for construction materials for the Washeteria building. You were faxed and received a copy of that letter and statement. The original copy of that letter was forwarded to Martin Moore, City manager for the City of Emmonak (EMK) for him to review and approve for payment. Subsequently, Martin held a phone conversation with ASCG which resulted in the following decision and notification of the status of that payment request.

The decision has been made not to make payment to ILI at this time. Payment will be made when EMK and ASCG receive the following:

- The Construction Plans are prepared, signed and stamped by a licensed Alaskan Architect and the Alaska Fire Marshal.
- A set of building specifications are prepared.
- Those plans and specifications have been received and review comments prepared by us.
- The finalized material list has been forwarded for all building materials, electrical and mechanical equipment and materials.
- The material submittals are forwarded, reviewed, and approved.

The decision and above requirements were made by EMK and ASCG because we were not satisfied with the progress of plan development considering the time allowed from August, 2002 until today. The time frame allowed ample time to provide us with 95/100% drawings for approval. During that 6 months, numerous documents from ASCG have been forwarded to ILI which gave ILI notification of the need to get the documents prepared; and, stating with great concern concerning the progressing loss of


time before the barge sailing in early May. That barge sailing is now upon us and ILI has not completed their document preparation for which they received payment in September 2002.

EMK's payment in September 2002 was for 20% of the contract amount, which was more than the ILI's June 2002 document stated. That document required a payment 15% for building design, architectural, engineering, drafting and technical assistance. To date, for the additional payment, we have received a set of miscellaneous standard drawings of the building, a poorly designed and almost unreadable mechanical schematic filled with errors, a preliminary material list for the building and mechanical materials and no electrical submittal. We have found errors from this preliminary submittal such as the drawings detailing the inside walls constructed of 2x4 lumber on 24" centers, which is not allowed for this type of construction, and no brackets are listed for attaching the glu lams to the pier cap plates. There are numerous other problems with all the received documents.

EMK and ASCG want this project to move forward immediately and hopefully ILI wants the same. For that to take place, ILI must provide the bulleted items above. EMK will not pay for something on a promise of things to come. With the great mobilization cost that is required to get these materials from Seattle to Emmonak, we want to ensure that when ALL MATERIALS get to EMK, we in fact have all the materials, equipment and supplies to construct the project in total.

EMK and ASCG are available to assist ILI in their questions and concerns about the building design and we await your finalized documentation to satisfy our concerns. With our approval of the plans, specifications, submittals and materials lists, payment will be made immediately.

Sincerely,


Martin B. Moore, Sr.
City Manager
City of Emmonak

Cc: Jim Voigts, ASCG, Inc. Fax: 907-339-5329
Jeanne Harvey, Newhouse & Vogler, Fax: 907-258-7582
Yuri Morgan, Denali Commission

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